

# *2005 Integrated Energy Policy Report*

**Hearing on the *Draft Transmittal Report*  
November 4, 2005**

**Integrated Energy Policy Report Committee**

**Commissioner John L. Geesman, Presiding Member  
Commissioner James D. Boyd, Associate Member**



**COMMITTEE DRAFT TRANSMITTAL OF  
2005 ENERGY REPORT  
RANGE OF NEED AND POLICY  
RECOMMENDATIONS  
TO THE CALIFORNIA PUBLIC UTILITIES  
COMMISSION**

Primary Authors  
**Kevin Kennedy**  
**Caryn Holmes**



# Agenda

November 4, 2005

- Overview of Energy Report proceeding
- Overview of *Draft Transmittal Report*
- General comments
- Range of need overview and comments:
  - PG&E
  - SDG&E
  - SCE
- Additional Comment
- Written comments are due: *November 8*



## *2005 Energy Report Schedule*

- November 8: Written comments due on *Draft Transmittal Report*
- Week of November 7: Publish the Final Committee *Energy Report, Transmission Strategic Plan, and Transmittal Report*
- November 21: Special Energy Commission Business Meeting to consider adoption of the *2005 Energy Report, Transmission Strategic Plan, and Transmittal Report*
- Early December: Deliver report to Governor and Legislature



## *Energy Report Process*

### *Public Resources Code 25300 et seq.*

#### *Integrated policy development*

- **Policy recommendations will be made based on an in depth and integrated analysis of energy issues facing the state. (Pub. Res. Code 25302(b))**

#### *Common information base for energy agencies*

- **The state's energy agencies will use the information and analyses contained in the report to carry out their energy-related duties. (Pub. Res. Code 25302(f))**

#### *Timing*

- **A policy report that includes an in depth assessment and forecasts of all energy sectors will be adopted by the Energy Commission every two years, and a supplement to the previous energy report on specific issues will be adopted in the off years.**



## *2005 Energy Report* Proceeding

- Collaboration with federal, state and local agencies
- 50+ Committee hearings and workshops
- 30,000+ pages of docketed materials
- More than 50 staff and consultant papers and reports
- Three Draft Committee Reports to be finalized for Energy Commission consideration on November 21, 2005
  - ***2005 Energy Report***
  - ***Strategic Transmission Investment Plan***
  - ***Transmittal Report to CPUC***



## Coordination with the CPUC

- Energy Commission and the CPUC coordinating the 2005 Energy Report proceeding with the upcoming CPUC 2006 procurement proceeding
- September 2004 ACR issued by CPUC President Peevey identifying 2005 Energy Report proceeding as forum for developing range of need for the 2006 procurement proceeding
- March 2005 Peevey ACR and Energy Report Committee Order reinforced the earlier ACR and provided more detail
- *Transmittal Report* being developed to provide recommendations to the CPUC for use in the 2006 procurement and related proceedings, including developing and documenting the range of need for the three largest investor-owned utilities



*Draft Transmittal Report*  
**General Overview**

- General procurement policy recommendations
- Construction of the 'Range Of Need'
- Electricity Energy and Peak Demand Forecasts
- Resource Plans and Range of Need
- Natural Gas Forecasts
- Transmission Project Recommendations





*Draft Transmittal Report*

## Procurement Policy Recommendations

- Need for Long-Term Contracts
- Renewable and Combined Heat and Power Resources
- Portfolio Performance and Least-Cost, Best-Fit Criteria
- Greenhouse Gas Performance Standard
- Transparency in Energy Planning and Procurement
- Departing Load



*Draft Transmittal Report*

## Construction of the 'Range Of Need'

- Use of Revised Staff Demand Forecast
- Treatment of Departing Load
- Demand Response and Energy Efficiency
- Evaluation of Resource Plan Information
- Resource Needs
- Future Adjustments to the Range of Need



*Draft Transmittal Report*  
**Energy Supply**

**ENERGY DEMAND (GWh) & PEAK DEMAND (MW)**

➤ **TOTAL ENERGY REQUIREMENT**

- Net Energy for Bundled Customer Load
- Firm Sales Obligations
- 15 percent reserve margin for peak demand



*Draft Transmittal Report*

## Existing & Planned Resources

- **Utility-Controlled Physical Resources**
  - Nuclear
  - Fossil
  - Total Hydro Energy Supply
- **Existing and Planned Contractual Resources**
  - Total Energy Supply from DWR Contracts
  - Total Energy Supply from QF Contracts
  - Total Existing & Planned Renewable Contracts
  - Total Energy from Other Bilateral Contracts
- **TOTAL EXISTING & PLANNED ENERGY RESOURCES**



*Draft Transmittal Report*  
**Need**

- **SUPPLY/DEMAND BALANCE**
- **Aging Plant Replacement**
- **TOTAL NEED, INCLUDING AGING PLANT REPLACEMENT**
- **Range is based on the low, base and high cased in the demand forecast**



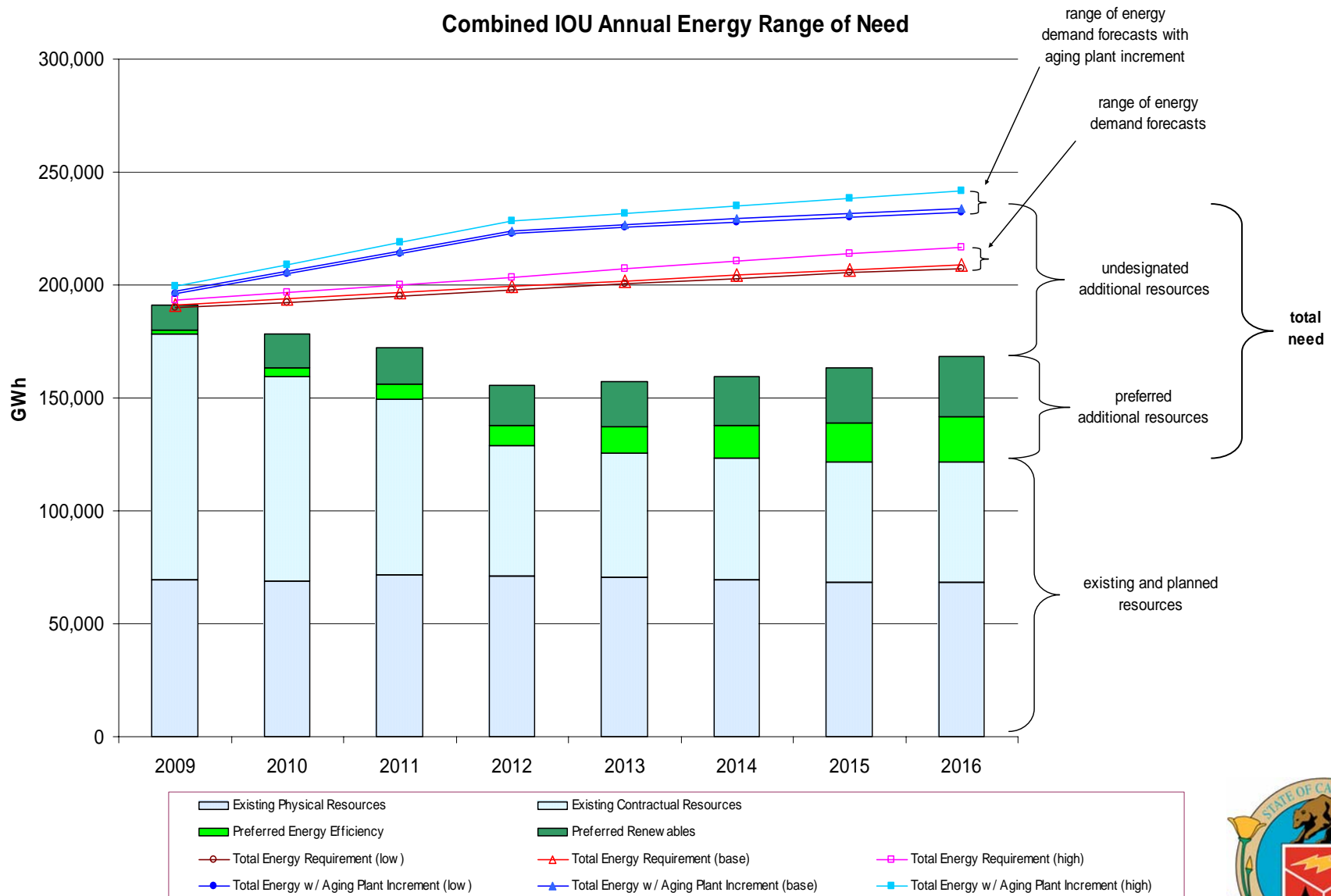
*Draft Transmittal Report*  
**Resources Needed**

- **ADDITIONAL PREFERRED RESOURCES**
  - **Uncommitted Energy Efficiency**
  - **Uncommitted Demand Response (for capacity need)**
  - **Renewables**
  - **Distributed Generation/ CHP (no annual numeric targets yet)**
  
- **ADDITIONAL NON-DESIGNATED NEED**



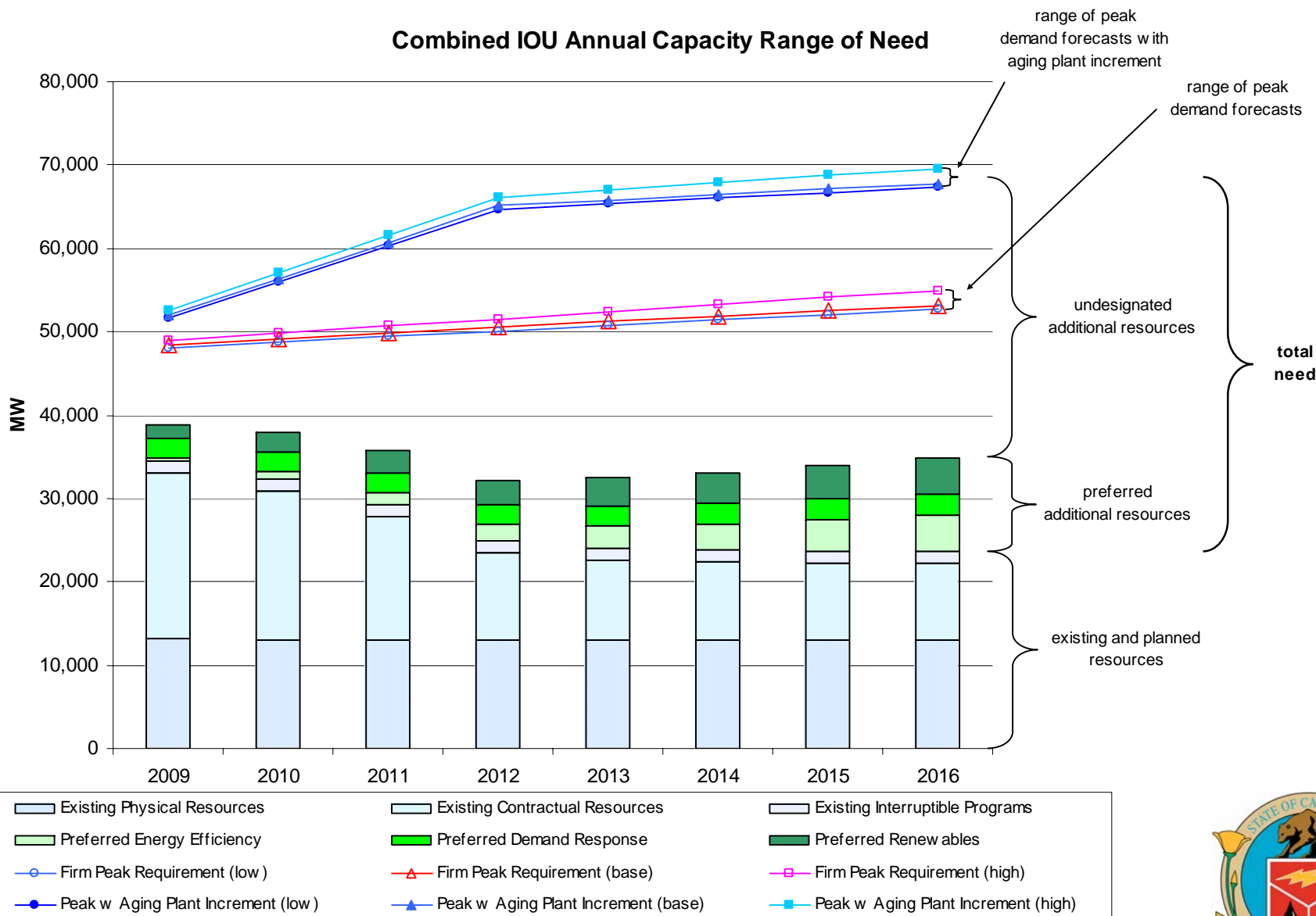
## Draft Transmittal Report

### Combined IOU Annual Energy Range of Need



## Draft Transmittal Report

### Combined IOU Annual Capacity Range of Need





## *Draft Transmittal Report* **Public Comment**

- ***Draft Transmittal Report* invited comment on several specific topics:**
  - **Approach for renewable resources among ‘preferred resources’**
  - **Approach for including existing demand response programs**
  - **Planned publication of ‘distribution service area’ capacity tables**
  - **Use of NYMEX for near-term natural gas prices**
- **Comments welcome on all areas of *Draft Transmittal Report***
- **Will summarize and take comments on IOU-specific range of need findings after general comments**



# **2005 Energy Report**

## **Hearing on the *Draft Transmittal Report***

**November 4, 2005**

To call and participate  
in today's meeting,  
please call:

**(800) 621-8495**

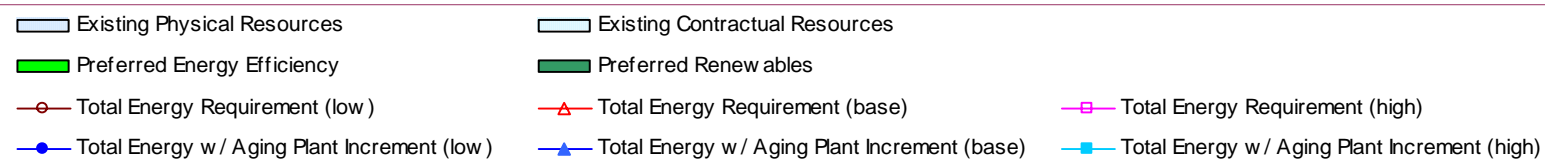
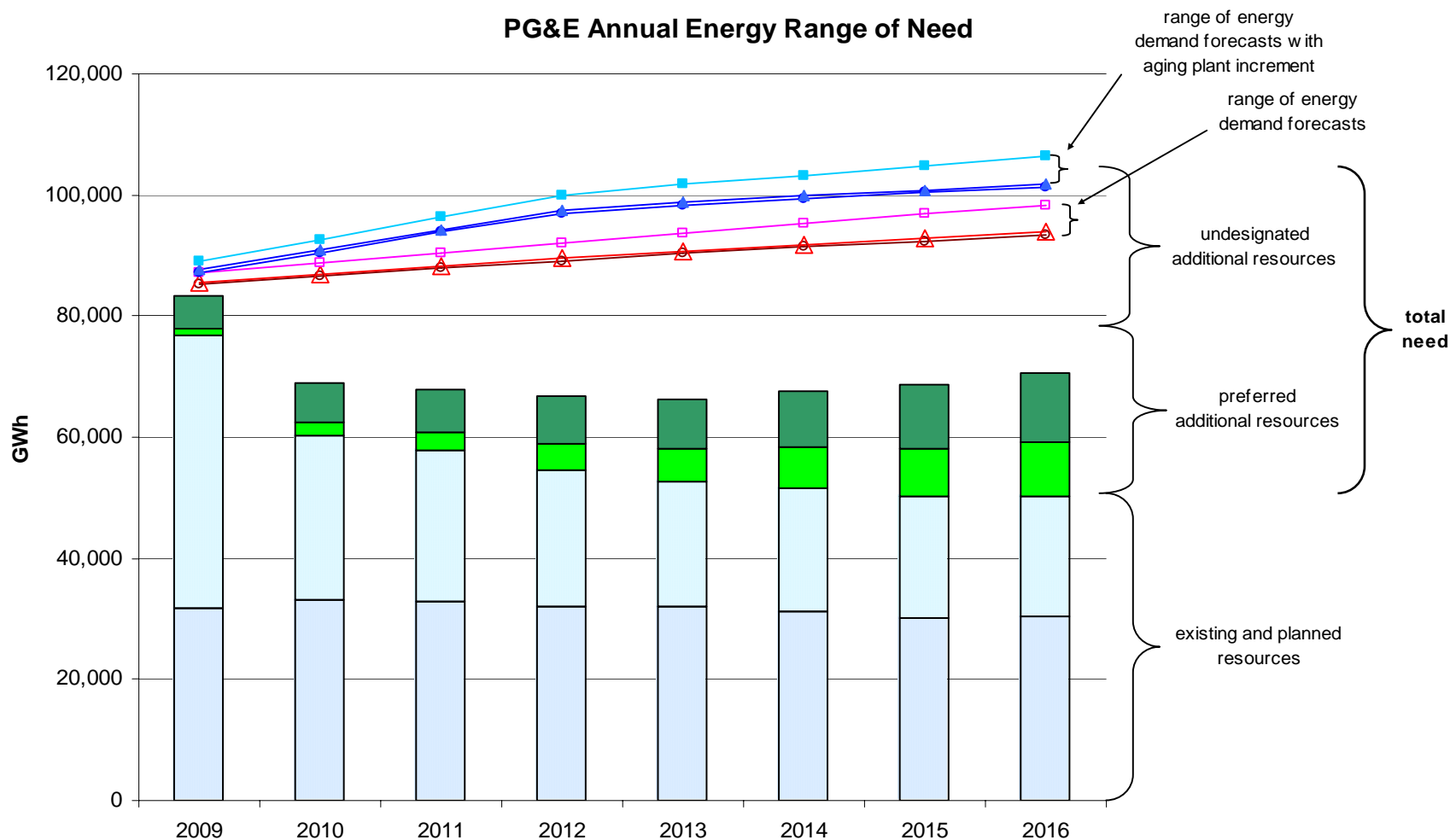
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Call Leader: **Kevin Kennedy**

***Written comments due November 8***



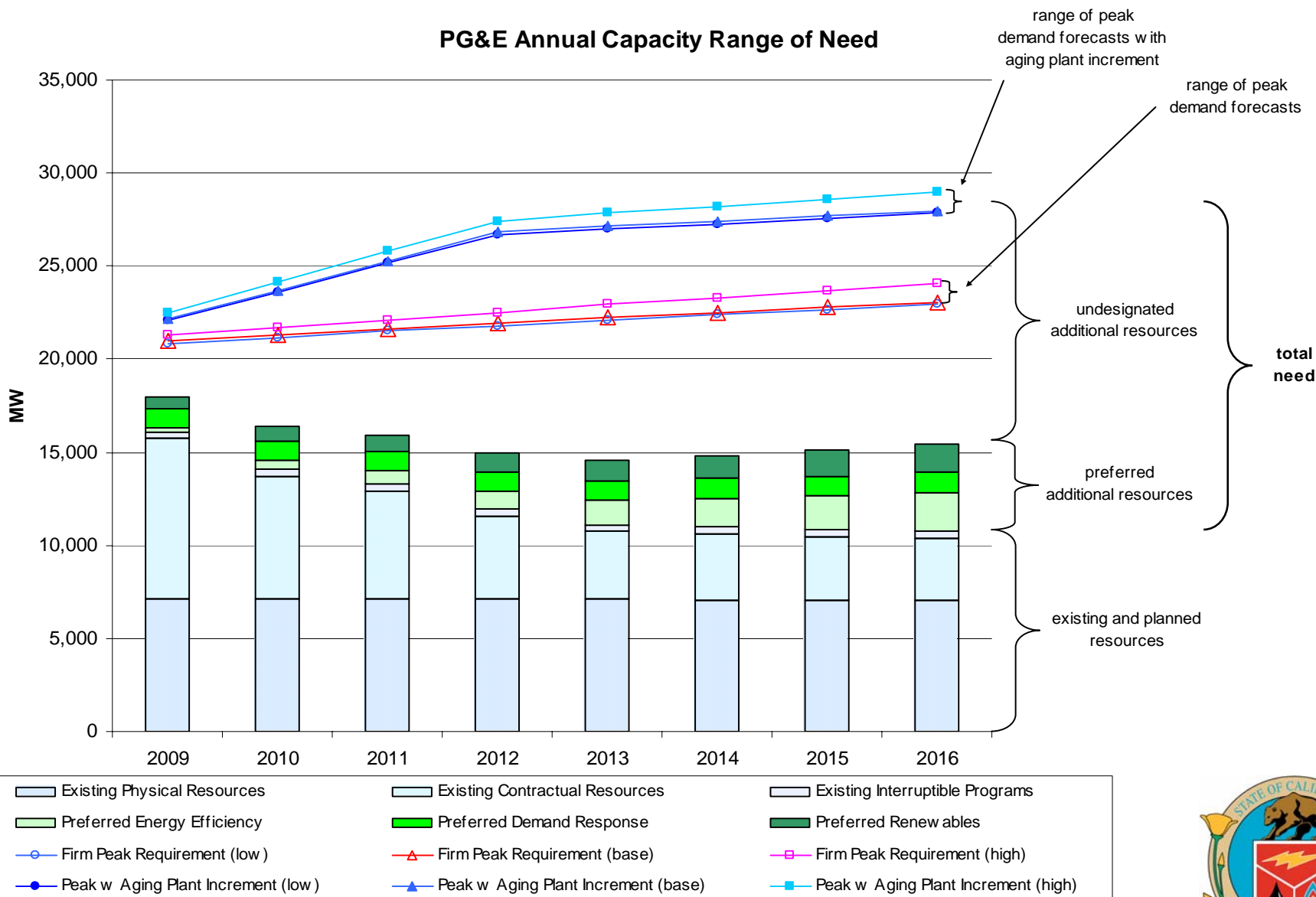
# Draft Transmittal Report

## PG&E Annual Energy Range of Need



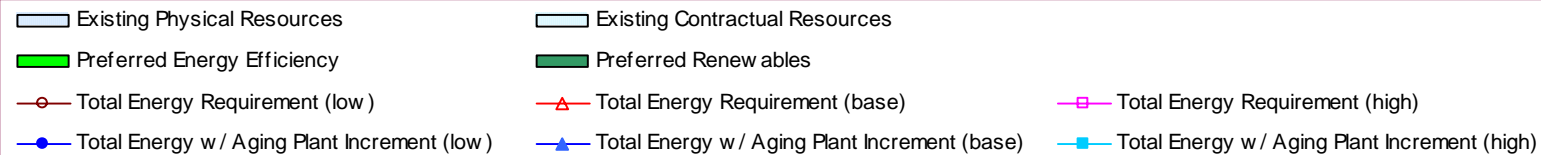
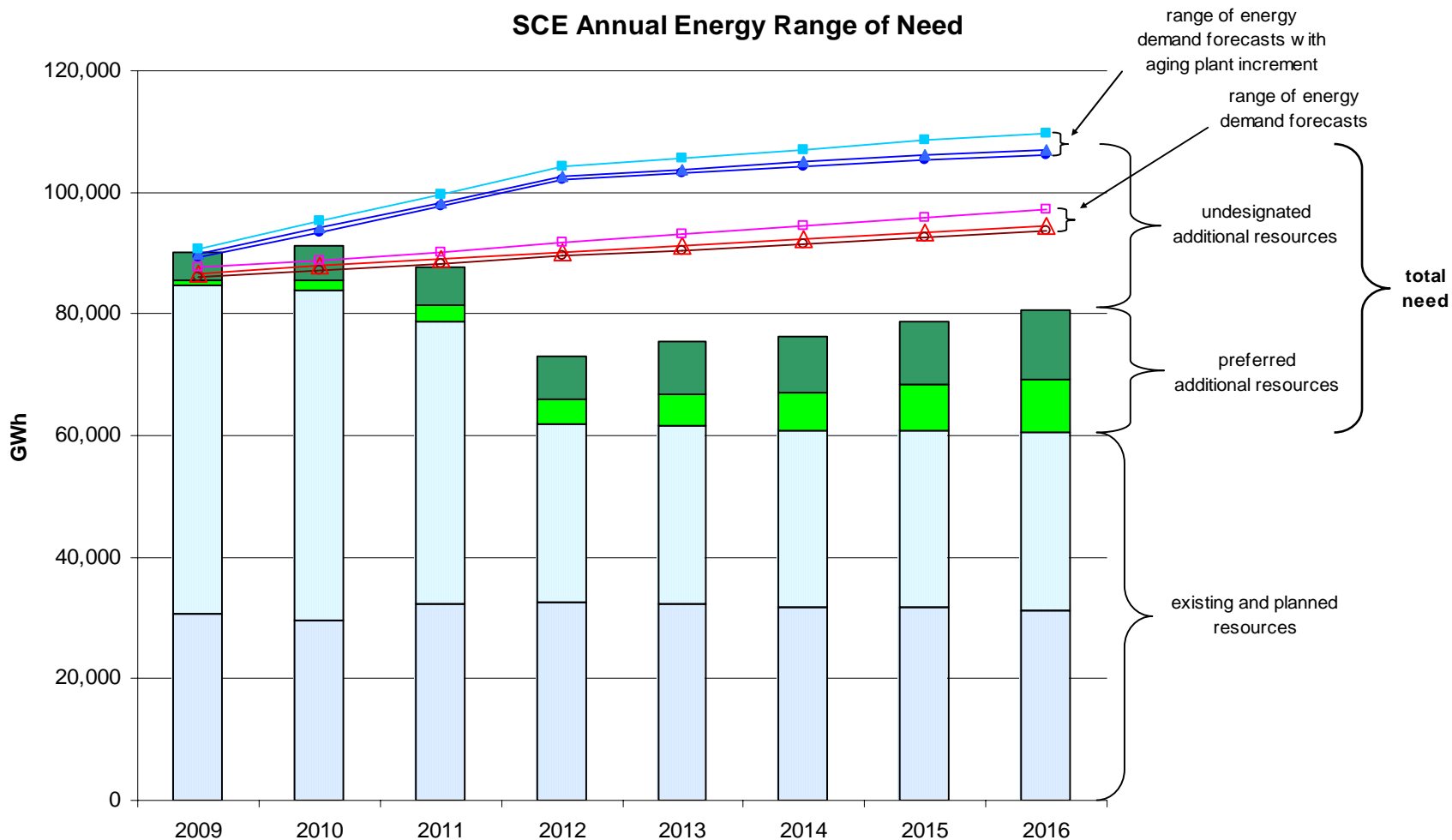
# Draft Transmittal Report

## PG&E Annual Capacity Range of Need



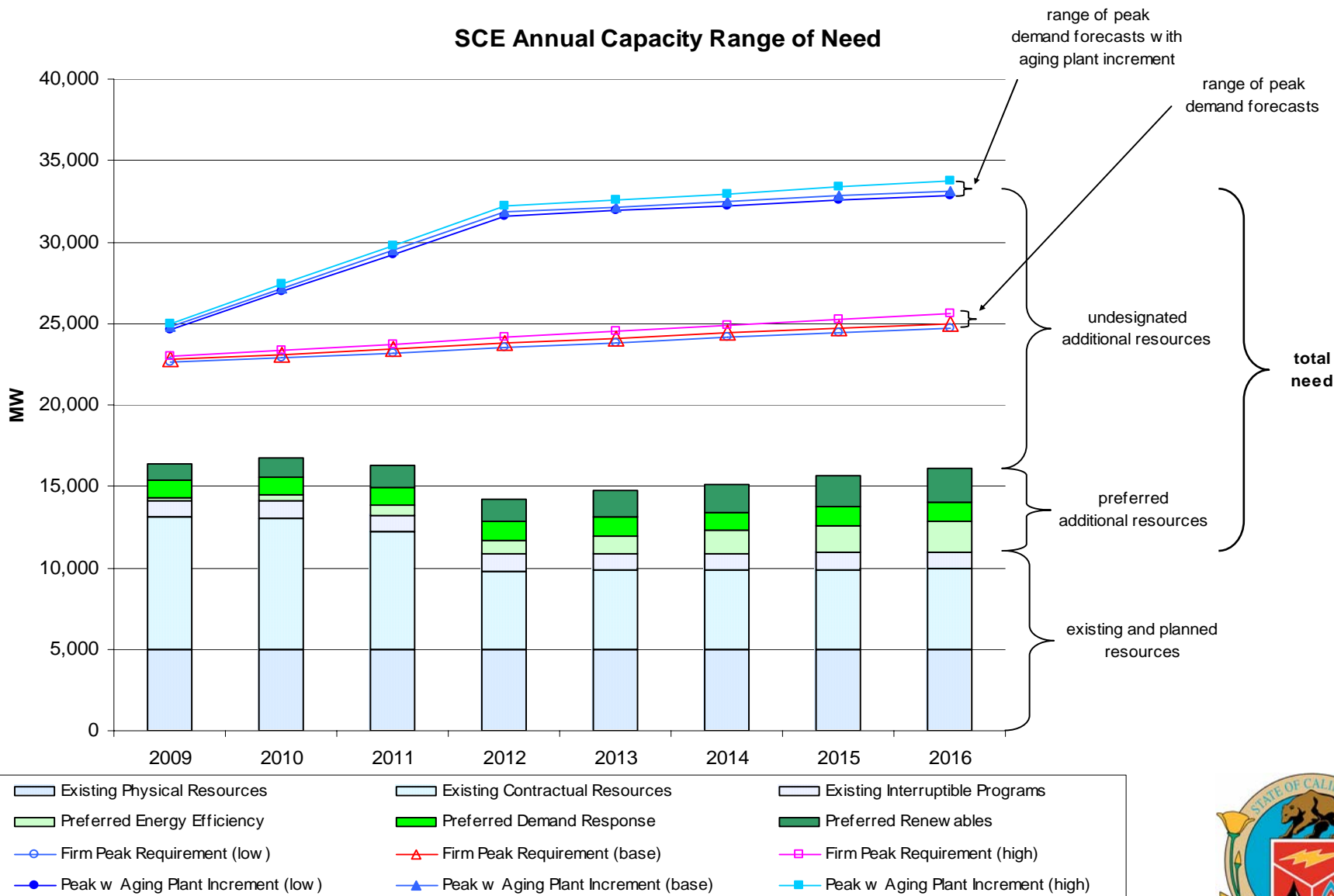
# Draft Transmittal Report

## SCE Annual Energy Range of Need



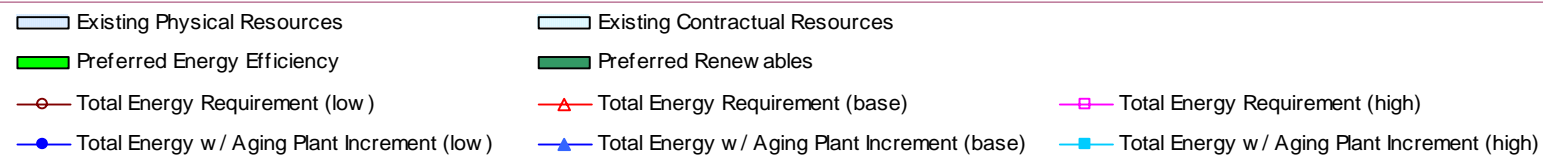
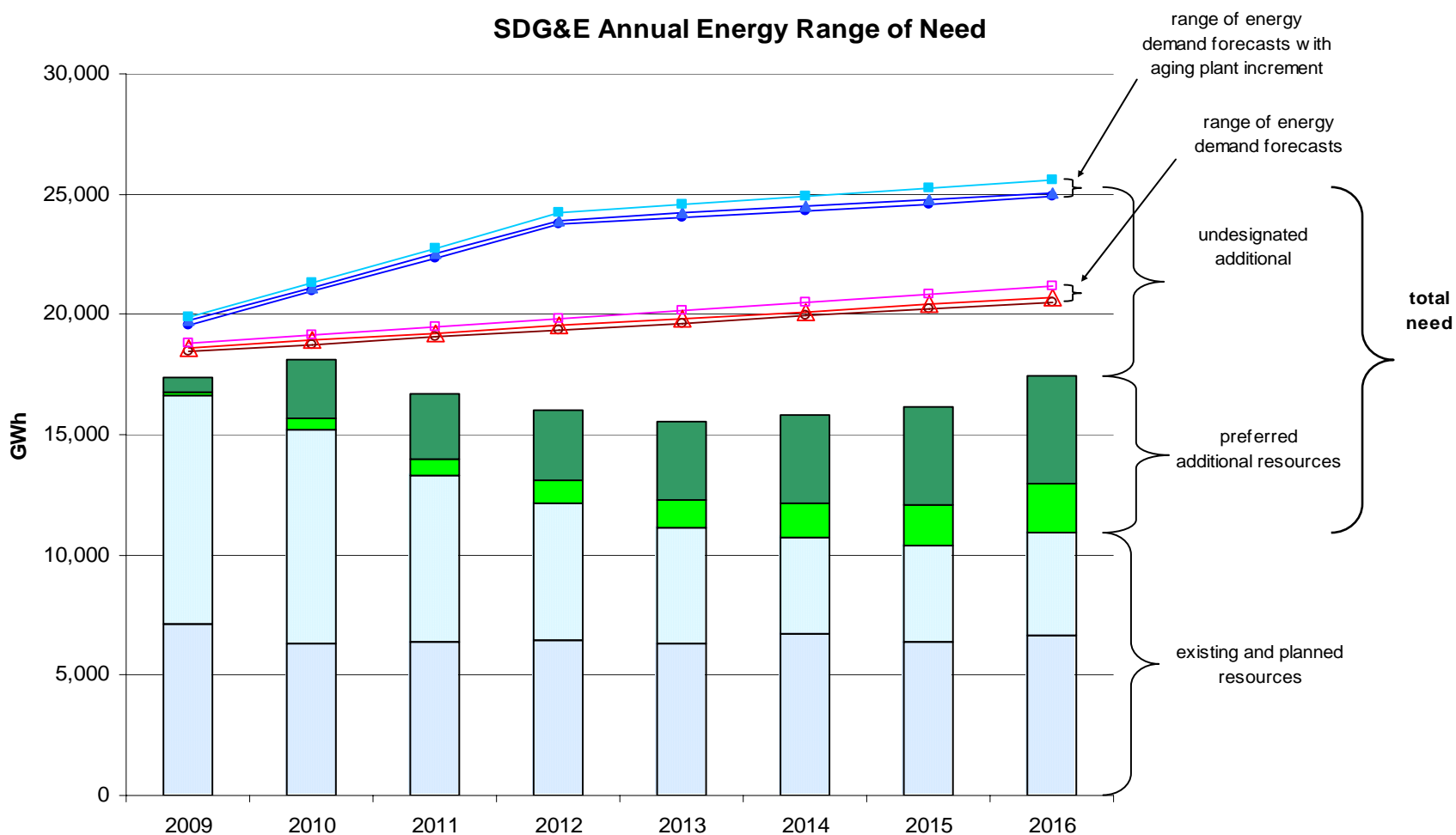
## Draft Transmittal Report

### SCE Annual Capacity Range of Need



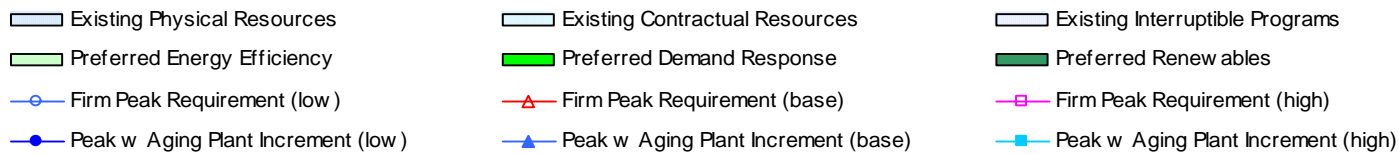
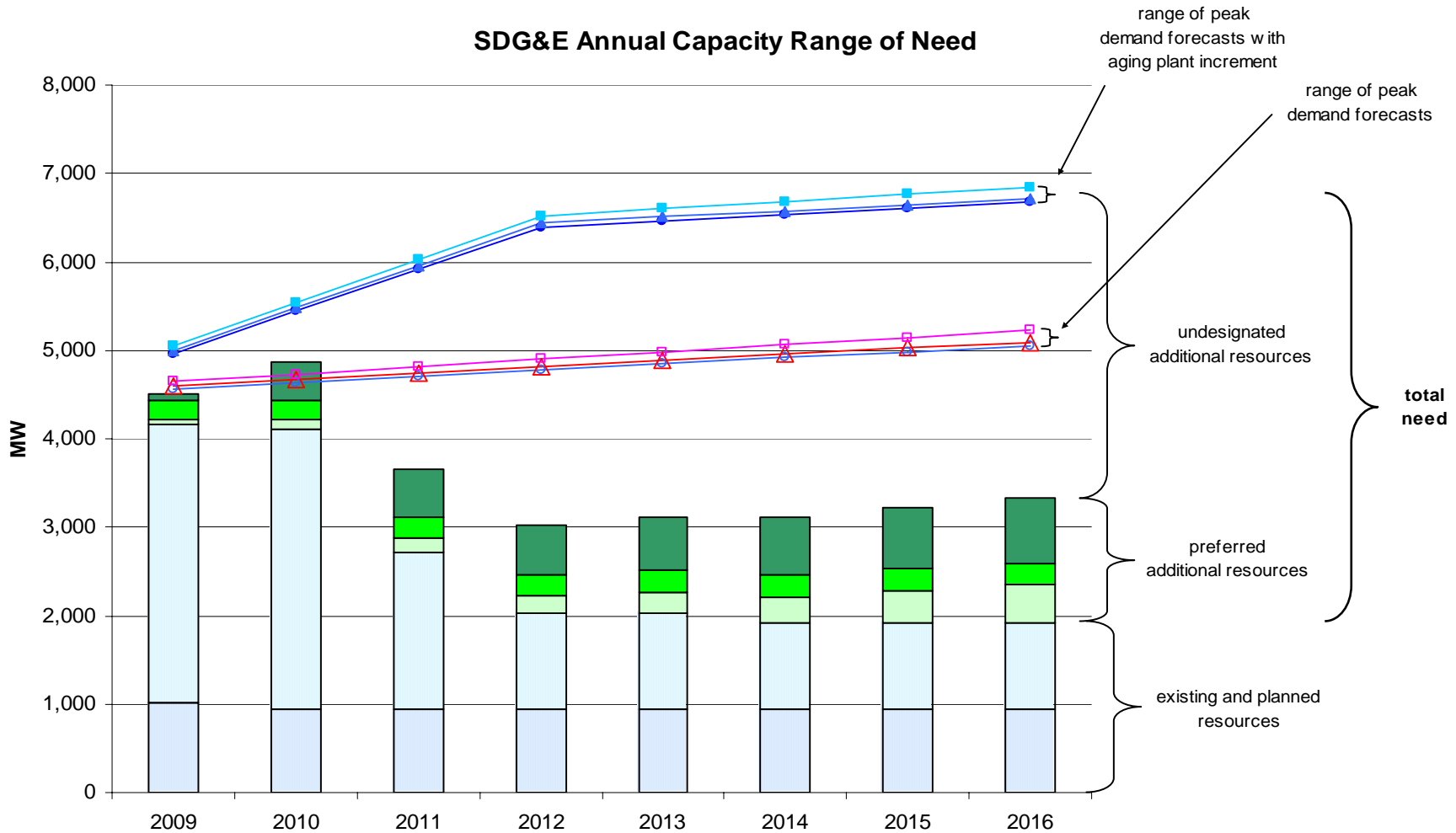
# Draft Transmittal Report

## SDG&E Annual Energy Range of Need



# Draft Transmittal Report

## SDG&E Annual Capacity Range of Need





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